

Economic Development Commission
Board Meeting Minutes
February 15, 2017
City Hall – Hooker Conference Room
4:18 p.m.

ROLL CALL: Kurt Zone, Geoff McKim, Dorothy Granger, Vanessa McClary, Malcom Webb

STAFF: Thomas Cameron, Jason Carnes, Alex Crowley, Laurel Waters

GUESTS: Julies Lee, Nate Carter

APPROVAL OF MINUTES

Vanessa made a motion to approve the minutes from October 19, 2016. Malcom seconded. Motion passed unanimously.

STAFF REPORT

Bloomington Investment Incentive Fund (BIIF) Financial Report

Jason reported there are two BIIF loans still active. One loan is current, but E2 Taxi is not. However, E2 Taxi has called the Controller's office to get their payoff, and it is hoped that by the next meeting he will be zeroed out and all payments made. Mr. McClary recently sold his business to another company based in Evansville. It is Jason's understanding the new company will no longer use it as a taxi service, but more a Medicaid/Medicare medical rides.

Kurt asked about the total in the account at this time. Jason stated the balance is currently about \$1500. This is because when payments come in they go into this account, but are then swept over to another account, the Westside Payment in Lieu of Annexation account. This is where the money originally came from, so this is where it goes back. Since the program is inactive, no new loans being made, any payments are swept over to the other account.

Kurt recalled in previous years there use to be a balance that was available for either grants or loans, and wondered what that was. He seemed to recall it was around \$250,000, and then there was \$100,000 lost to bad loans.

Jason stated the previous administration decided to start sweeping that money back over to the Westside in Lieu of Annexation account. Kurt asked what would happen if the EDC wanted to make another loan. Kurt stated he would be interested in making more loans if there was an intelligent way to address the credit risk issue.

Jason explained the City is partnering with the Community Foundation to create a CDFI, Community Development Financial Institution. This organization would be making loans to businesses that could not typically get them from banks. The contact from the Community

Foundation is Tina Peterson. The Bloomington Urban Enterprise Association just approved \$75,000 which will be half the salary to hire someone to administer the CDFI.

OLD BUSINESS - None

NEW BUSINESS

Election of Officers

Jason stated the current officers are: Kurt Zorn, President; Vanessa McClary, Vice-President, and Dorothy Granger is Secretary.

The Board suggested the following slate for officers: Kurt Zorn as President, Vanessa McClary as Vice President, and Malcolm Webb as Secretary. Officers were elected by consent, all members present approved as presented.

2017 Conflict of Interest

Jason reminded members this form needs to be filled out every year. The Board took a few minutes and filled out their forms.

GENERAL DISCUSSION

Woolery Mill Tax Abatement Progress Report

Jason reported that he, Alex, and Thomas had met with the Cassady's along with their architect and consultant. They have made quite a bit of progress since they were before the Board last. They have their architectural plans pretty flushed out for Phase I. The Cassady's hope is that they might get more assistance from the City. The Cassady's have applied for a tax credit from the State, and have asked the City to write a letter of support, which the City has agreed to do. Even if they were to receive these funds there will still be a funding gap. The Cassady's have suggested re-opening the tax abatement they currently have to change some of the phasing in language. A TIF bond has also been discussed, along with other creative ways the City might be able to help them.

Thomas added at this point the conversations are very preliminary. Staff does have many questions they need to answer before the City is ready to move forward in changing any of the City's support. This does not imply the City doesn't think it is not a great project, but the City needs to feel comfortable with the details before we come back to this Board asking for something different.

Jason stated he was encouraged by their progress since October.

Economic Development Updates

Jason explained to the Board that he has been working on in his role as small business relations, and the Director of the BUEA to figure out a solution to the Grease Interceptor issue. Grease interceptors are a requirement by the City of Bloomington Utilities Department for restaurants so grease and solids are captured before they can go into the sewer system. Staff has noticed the cost of these are getting passed on to the business owner and not the property owner. When the restaurant moves or closes, the property owner is left with this asset. Grease interceptors are very expensive, and some business owners are not aware of this requirement until they have already signed a lease. The BUEA is working with Legal and Utilities to establish a grant loan program for restaurants within the Enterprise Zone. There is a line item in the BUEA budget of \$100,000 to help with this program. It is hoped that in March something will have been approved. Details are still being worked out and staff is thinking of a loan/grant hybrid to help both the business and property owners.

Malcolm asked when the City started imposing the grease interceptor requirement. Jason believe early 2000's. The pipes underground were getting clogged up and causing problems. All new building construction are required to have them; this problem is with the retrofits.

Vanessa asked if all Food Trucks were going to One World. Jason stated many of them are going to One World, some have relationships with restaurants.

Alex reported there are many projects going on. The Trades District is starting to advance. The Dimension Mill co-work space is being designed and will be constructed by the fall.

The fiber project continues to advance. Axia has started a full engineering study of the town to figure out what the costs would be to build out the system as designed. In the spring, assuming the price to build the network it not a showstopper they would proceed with the Expression of Interest. If that comes back meeting a certain threshold then they would agree to proceed and build the network. The key point with Axia is they are building fiber network as infrastructure, not as a business. This is a completely different model than almost every other telecommunication company. This all needs to play itself out before we know if it will happen, which from an economic development aspect will have a great benefit to businesses and residents.

Malcolm asked about the price. Alex stated the gigabit speed would come in at around \$75 to \$80. There may be a 100 meg service, it's all not clear yet.

Thomas explained the HM Mac tax abatement was approved late last year and along the way, the Council made this a 10 year abatement. There was a slight typo in the final version. The EDTA expiration date and the ERA expiration date were based on the tax abatement schedule that the EDC approved. It was never extended when the tax abatement was extended to 10 years. Staff will go back to the Council and ask them to amend the abatement to make it in line with what was originally intended.

FOR THE GOOD OF THE ORDER

Malcolm commented that he had a conversation with a resident who has a business in Lawrence County. It is a small business, Martial Art Instruction. The draw is from clients from both their county and Monroe County. They are looking at building and when asked about locating in Monroe County the reaction was they couldn't possibly do anything in Monroe County because they didn't think they could handle all the regulatory requirements that are imposed in Monroe County. He added Bloomington and Monroe County do have a perception issue that should be addressed. That perception may well be based on reality issues where Bloomington does impose a lot on businesses that other counties don't. We also have a beautiful county, and one that is the envy of a lot of other counties too, so not all is bad. While the administration doesn't want chain restaurants and chain businesses in downtown, these are the businesses that have the legal departments and home offices to jump through the hoops that mom and pop operations that the community likes to support don't feel like they do.

Dorothy agreed this was a very good question. She asked if maybe Jason or Alex can show them in writing what is required of some small business who wants to build a building in Monroe County.

Alex believes there are two different questions: 1) is our regulatory framework too restrictive and 2) how easy is it to make it through the process. Alex stated it might be good to do an evaluation of codes vs other similar communities. Alex stated he believes the problem is how cumbersome is it to make it through the process. Alex added Leadership Bloomington asked if they could stimulate a project to look at the stumbling blocks and where are the places of inefficiency. Hopefully, this will show where the pain points. One developer said it is the lack a predictability when going through the planning process. Are some requirements just whims of individuals, such as color of bike racks?

Malcolm also noted in relation to perception issues, sidewalks. He stated his brother built a house a few years ago at 512 S. Mitchell and was required to put in a sidewalk. This sidewalk goes to nowhere. It is unlikely because of the age of the trees and the type of neighborhood that i sidewalks for that street will be built anytime soon. It was expensive to build the sidewalk, and when asked for alternatives he felt shut down in the process. Malcolm felt there could be better alternatives for these types of situations. He stated maybe a better way is to put money into an escrow for sidewalks in the future.

Alex explained that Planners have to work within very strict perimeters, they cannot afford to have any kind of gray areas. Having said that, there are sometimes cases when there is at least an opportunity to rethink.

Dorothy talked about the Councils Sidewalk Fund and how the Council tries to infill sidewalks.

Jason stated the Mayor has just hired an Innovation Director. One of the duties of this position will be to look at many of these issues.

Meeting adjourned at 5:10 p.m.

ADJOURNMENT – Meeting adjourned at 5:06 p.m.